OVERVIEW

China Eximbank provides RMB 200 million government concessional loan for E-Government Project

COMMITMENTS (CONSTANT USD, 2023)

$40,530,183

Commitment Year • 2008 | **Country of Activity** • Vanuatu | **Direct Recipient Country of Incorporation** • Vanuatu | **Sector** • Government And Civil Society | **Flow Type** • Loan

STATUS

Project lifecycle

Completion

PIPELINE: PLEDGE

PIPELINE: COMMITMENT

IMPLEMENTATION

COMPLETION

TIMELINE

Key dates

COMMITMENT DATE
Jun 11, 2008

START (PLANNED)
Jul 1, 2009

END (ACTUAL)
Jul 20, 2012

FIRST REPAYMENT (ORIGINALLY SCHEDULED)
Jun 10, 2013

LAST REPAYMENT (ORIGINALLY SCHEDULED)
Jun 6, 2028

Stakeholders

Organizations involved in projects and activities supported by financial and in-kind transfers from Chinese government and state-owned entities

ULTIMATE BENEFICIAL OWNERS

At least 25% host country ownership

FUNDING AGENCIES

STATE-OWNED POLICY BANKS
Export-Import Bank of China (China Eximbank)

RECEIVING AGENCIES

GOVERNMENT AGENCIES
Vanuatu Ministry of Finance and Economic Management

IMPLEMENTING AGENCIES

PRIVATE SECTOR
Huawei Technologies Co., Ltd.

LOAN DESECRIPTION

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Grace period • 5 years | **Grant element** • 53.1012% | **Interest rate (t_0)** • 2% | **Interest type** • Fixed Interest Rate | **Maturity** • 20 years

NARRATIVE

Full Description

PROJECT NARRATIVE

On June 11, 2008, the Government of the People's Republic of China and the Government of the Republic of Vanuatu entered into a Framework Agreement on Provision of Government Interest-Subsidized Concessional Loans by China to the Republic of Vanuatu. Then, on the same day (June 11, 2008), China Eximbank and the Government of the Republic of Vanuatu (represented by the Ministry of Finance and Economic Management) signed an RMB 200,000,000 government concessional loan (GCL) agreement [CHINA EXIMBANK GCL NO. 2008 (12) TOTAL NO. 231] for the E-Government Project. The Parliament of Vanuatu ratified the GCL agreement on April 20, 2009. The borrowing terms of the GCL were as follows: a 2% interest rate, a 0% default (penalty) interest rate, a 20-year maturity, a 5-year grace period, a 1% management fee, and a 0.75% commitment fee. The borrower was to use the proceeds of the GCL to finance a commercial contract (No. 005480805090A) between the Ministry of Infrastructure and Utilities of the Republic of Vanuatu and Huawei Technologies Co., Ltd, which was signed on May 11, 2008.

The purpose of the project was to create a Government Data Centre and a Government Broadband Network (GBN) by installing a 100 km fiber-optic network and fixed wireless network that connects approximately 100 government offices across the country. This project also the creation of SDH microwave and VSAT transmission networks in order to connect Port Vila with the country’s provincial capitals (Lakatora, Saratamata, Luganville, Port Villa, Isangel, and Sola).

Huawei Technologies Co., Ltd was the contractor responsible for project implementation. A groundbreaking ceremony was scheduled for July 2009. However, the precise project implementation start date is unknown. The project commenced at some point in 2009 and it was officially completed on July 20, 2012.

STAFF COMMENTS

1. This project is also known as the i-Government Project and the Government Broadband Network (GBN) Project. The Chinese project title is 电子政务 or 瓦努阿图电子政务项目.

2. The Chinese Overseas Development Finance Dataset published by Boston University’s Global Development Policy Center in December 2020 identifies this project as being financed with a China Eximbank loan worth $29 million. AidData relies on the face value of the loan (RMB 200,000,000) that is identified in the actual loan agreement [CHINA EXIMBANK GCL NO. 2008 (12) TOTAL NO. 231] between China Eximbank and the Government of the Republic of Vanuatu.

3. The loan agreement can be accessed in its entirety via https://www.documentcloud.org/documents/20488917-vut_2008_449.

4. A similar Loan ID, 39256, the following was identified in the source 35365:

"An advance of 1 billion vatu was made to Air Vanuatu in 2008 for the purchase of Y12 Aircraft
from China. The purchase of these aircraft was funded by a loan from the Chinese
Government which has been on-lent to Air Vanuatu. This loan was made in Chinese Yuan
Renminbi and has since been revalued to 856 million vatu as at 31 December 2010. An
amount of 856 million vatu is therefore shown as a liability in borrowings and an asset in
advances to Air Vanuatu. The remaining advance balance for Air Vanuatu represent
additional loan advances given to the airline in recent years. "

This infers that the first data point for the 2008 being inaccurate, as the project/loan has been revalued.